GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2110
ANSWERED ON:15.03.2002
DOCUMENTS OF INSURANCE POLICY
ANANDRAO ADSUL

Will the Minister of FINANCE be pleased to state:

(a) whether the common man is finding it difficult to ow the real meaning of the clauses of the Insurance llicies of various insurance companies;

(b) whether some private insurance companies, recently set up in our country, are planning to introduce imple English explanations on its all retail policies;

(c) if so, whether the Government are also considering to implement the same in Government run insurance companies to make their insurance documents simple language;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) The Insurance Regulatory and Development Authority (IRDA) IS informed that the clauses of the Insurance policies various insurance companies are of international andards and convey the meanings, which are accepted orld wide. Insurance policies do not contain any hidden leaning or something, which cannot be understood by a)mmon man. Insurance companies in Public and Private ectors have simplified policies/language etc. without Impering with scope of coverage of Tariff Products.

(b) The insurance companies while launching new ,roducts in the market in non-tariff area are using simpler erminology in the insurance polices. In the tariff area to nsurance company can change the wordings of the ;tandards policies without prior permission of Tariff !\dvisory Committee (TAC)/IRDA.

(c) and (d) The State owned insurance companies have also simplified documents and clear language in personal lines and rural insurance products. Some of the policies which are simplified are Householders` Insurance Policy; Shopkeepers`Insurance Policy, Janata Personal Accidents Policy; and Cattle Insurance Policies, etc.

(e) Does not arise.